IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX APPLICATION No 370 of 1999
WITH
INCOME TAX APPLICATION NO 371 of 1999
WITH
INCOME TAX APPLICATION NO 372 of 1999

For Approval and Signature:

Hon'ble MR.JUSTICE J.N.BHATT and

Hon'ble MR.JUSTICE C.K.BUCH

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME TAX

Versus

PALLAVI MAYOR TRUST NO. 15.

Appearance:

MR BB NAIK WITH MR MANISH R BHATT for Petitioner

MR BG KARIA WITH RK PATEL for Respondent No. 1

CORAM : MR.JUSTICE J.N.BHATT and
MR.JUSTICE C.K.BUCH

Date of decision: 09/02/2000

ORAL JUDGEMENT (PER : J.N.BHATT, J)

In this group of applications under sec. 256(2) of the Income-tax Act, 1961, identical questions have been raised as jointly submitted. Therefore, they are taken up together by consensus and considering the facts, following two questions are required to be considered for our opinion :-

(1) Whether in the facts and circumstances of the case, the Appellate Tribunal is right in law that the interest on debentures issued by companies other than local authority, company or corporation established by a Central, State or Provincial Act is not liable to be computed as income under the head "interest on securities " ?

(2) Whether interest on debentures in all circumstances is liable to be considered income only when received by the assessee and not when it has been due ?

The Tribunal, therefore, is directed to prepare statement of facts and refer the same to this Court.

Rule is made absolute in each application. No order as to costs. Copy of this order be placed in rest of the applications.

9.2.2000 [J.N.BHATT, J]

[C.K. BUCH, J]

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